

**FLYER**

**058A-28  
January 20, 1995**

**TO: Chief, Human Resources Management Service**

**SUBJ: Processing Retirement When an Employee is Eligible for More Than  
One Type of Retirement**

This flyer transmits Benefits Administration Letter (BAL) Number: 94-101. The BAL clarifies information in the Civil Service Retirement System and Federal Employees Retirement System Handbook for Personnel and Payroll Offices concerning the nature of separation code to be used when an employee is eligible for more than one type of retirement.

Any questions you may have regarding this flyer may be directed to Barbara Wright of the Employee Relations Division at FTS (202) 535-8586.

Office of Human Resources Management (058A)

# Office of Personnel Management

## Retirement and Insurance Group



1920



1954



1959



1986

### Benefits Administration Letter

Number: 94-101

Date: August 16, 1994

#### **SUBJECT**

**Processing Retirement When an Employee is Eligible for More Than One Type of Retirement**

#### **Purpose**

This bulletin clarifies information in the CSRS and FERS Handbook for Personnel and Payroll Offices (Handbook) concerning the nature of separation code to be used when an employee is eligible for more than one type of retirement.

#### **Background**

Installment 29 to the Handbook included updates to Chapter 43 (Early Voluntary Retirement, Paragraph 43A4.1-1B), Chapter 44 (Discontinued Service Retirement, Paragraph 44A1.1-3C), and Chapter 53 (Alternative Annuity Elections, Paragraph 53A1.1-2D) which instructed agencies how to document a separation for retirement when an employee was potentially eligible for more than one type of retirement, e.g., regular voluntary vs. early voluntary retirement, or eligible for regular voluntary retirement but the nature of the separation was involuntary. The instructions were primarily designed to ensure that OPM could properly pay benefits by identifying retirees who were eligible for the Alternative Form of Annuity and for tracking early voluntary retirements. With the introduction of Voluntary Separation Incentives (VSI), some questions have arisen about the application of those instructions.

#### **How to document**

When an employee potentially qualifies for more than one type of retirement, the nature of the separation depends upon the employee's response to the alternative events that give rise to retirement eligibility. For example, an employee may be eligible for discontinued service retirement (DSR) based on a specific abolishment of position notice. The same employee may also be eligible for early voluntary retirement if the agency has been approved for an early voluntary retirement authority (with or without VSI). If the employee submits an application for retirement in response to the early voluntary retirement authority, the separation should be processed under the early voluntary authority. If the

application is submitted in response to the job abolishment notice, the separation should be processed with the nature of action 304/Retirement - ILIA (in lieu of involuntary action).

Similarly, if a FERS covered employee is eligible for an MRA+10 retirement and is also in an agency with an approved early voluntary authority for which the employee qualifies, the nature of the separation for retirement should reflect the event to which the employee is responding.

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**Advising Employees**

Agencies should be sure to advise an employee about the potential impact the nature of the separation may have on benefits, taking into account the alternative form of annuity (through September 29, 1994), VSI, and subsequent reemployment.

A handwritten signature in black ink, appearing to read "R. Jones, Jr.", with a stylized flourish at the end.

Reginald M. Jones, Jr.

Assistant Director

for Retirement Policy Developmentcjf